

## ***JULY 2003 TAX FACTS***

### **SUMMARY OF GENERAL FUND REVENUES**

	<b><u>July 2003</u></b>
<b>Individual Income Tax</b>	
Net Collections	\$135,447,923
Percent Change	(0.4%)
<b>Corporate Income Tax</b>	
Net Collections	\$16,968,421
Percent Change	4.5%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>	
Net Collections	\$271,097,895
Percent Change	5.1%
<b>Total Big Three Tax Types</b>	
Net Collections	\$423,514,239
Percent Change	3.3%



# TAX FACTS

July 2003

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	July 2003	July 2002	% Change
Gross Collections	\$9,818,564	\$9,784,426	0.3
Withholding	168,192,384	186,097,356	(9.6)
Refunds	(12,140,929)	(24,042,416)	(49.5)
Urban Revenue Sharing	(30,422,097)	(35,879,921)	(15.2)
<b>Net Collections</b>	<b>\$135,447,923</b>	<b>\$135,959,445</b>	<b>(0.4)</b>

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$1,140 in tax liability, \$3,090 was refunded. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

### Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	31,804	1,439,766	65,769	93,265	2	35,774	278,043	13,393	185,702	2,585	20	2,146,123
%	1.5	67.1	3.1	4.3	0.0	1.7	13.0	0.6	8.7	0.1	0.0	

The 2,146,123 returns, representing current and prior tax years, filed through July 2003 represents an increase of 0.6% over the July returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 2,062,608 returns have been filed a 0.2% increase over filings in July 2002 for tax year 2001.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both years and maintained the same filing status. The Department of Revenue has received 1,483,295 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 1.2% decrease in FAGI and an 3.6% decrease in tax liability. More specifically, 40.7% had a decrease in tax liability; with an average decrease of 38.4% and a corresponding average decrease in FAGI of 22.6%. Filers with an increase in tax liability totaled 696,476 or 47.0%; with an average FAGI increase of 23.7% and an average tax liability increase of 43.9%.



### **Average Individual Income Tax Refund**

	Average	Number
2003 CYTD	\$539.32	1,413,407
2002 CYTD	\$567.81	1,469,308
% Change	(5.0%)	(3.8%)

### **"New" Filers in Calendar Year 2003**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 211,760 "new" returns have been filed thus far in 2003, representing approximately 256,091 persons, not including dependents. The average Federal Adjusted Gross Income for these 211,760 returns is \$19,678, with an average tax liability of \$307. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.8% had a married filing joint filing status, 7.5% claimed a 65 And Over Exemption and 34.7% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as 2001 estimated payments, for an average of \$1,817. Estimated payments received through July 2003 for tax year 2002 were as follows:

07/03	140ES payment	\$204,607	Cumulative	\$293,224,397
07/02	140ES payment	\$179,167	Cumulative	\$336,208,055
	Percent change	14.2%		(12.8%)
078/03	Average payment	\$34,101	Cumulative	\$1,524
07/02	Average payment	\$3,089	Cumulative	\$1,477
	Percent change	N/A		3.2%
07/03	Applied refund	\$47,453	Cumulative	\$74,308,301
07/02	Applied refund	\$253,145	Cumulative	\$67,278,667
	Percent change	81.3		10.4%
Total 07/03		\$252,059	Cumulative	\$367,532,697
Total 07/02		\$432,312	Cumulative	\$403,486,722
	Percent change	(41.7%)		(8.9%)

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2002 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2002, which shows a growth rate of 2.6% in withholding payments over the second quarter of 2001. Growth in quarters for which information is still being gathered is as follows:

3 <sup>rd</sup> Quarter 2002	(4.6%)	1 <sup>st</sup> Quarter 2003	3.0%
4 <sup>th</sup> Quarter 2002	(2.4%)	2 <sup>nd</sup> Quarter 2003	1.9%
		3 <sup>rd</sup> Quarter 2003	5.1%

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.



### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, your household income must be below \$3,751 individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	14,673	\$4,996,331	\$340.51
Calendar Year 2002	14,989	\$4,942,268	\$329.73
% Change	(2.1%)	1.1%	3.3%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	July 2003	Calendar Year to Date
Check Off	\$28,095	\$3,674,754
Voluntary Donation	(\$471)	\$54,278
Number of Returns	3,690	504,329

### **Contributions on the Individual Income Tax Return**

Through July 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	9,585	\$168,590	\$17.59
Child Abuse	10,656	\$188,735	\$17.71
Special Olympics	5,005	\$78,868	\$15.76
Neighbors Helping	2,937	\$38,059	\$12.96
AID to Education	616	\$31,339	\$50.88
Domestic Violence Shelter	7,689	\$135,288	\$17.60
Democratic Party	815	\$16,749	\$20.55
Libertarian Party	105	\$2,176	\$20.72
Republican Party	607	\$15,071	\$24.83

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	July 2003	July 2002	% Change
Gross Collections	\$23,301,575	\$26,661,773	(12.6)
Refunds	(\$6,333,153)	(\$10,431,027)	(39.3)
Net Collections	\$16,968,421	\$16,230,746	4.5

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.



July 2003	\$14,548,665	Calendar Year Total	\$207,873,205
July 2002	<u>\$18,602,665</u>	Calendar Year Total	<u>\$184,171,641</u>
% Change	(21.8%)	% Change	12.9%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment for the month of July 2002 and for the fiscal year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
July 2003	119	13	10	5	4	0	151	(16.1)
July 2002	146	13	11	7	3	0	180	
CY 2003	1,503	167	187	42	35	0	1,934	0.6
CY 2002	1,511	172	178	39	22	0	1,922	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 02/03 by corporate fiscal year. For example, in FY 02/03, 7.0% of the refund dollars paid were for corporate fiscal years ending in 1998 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	7.0%	6.0%	7.4%	66.3%	13.1%	0.2%
Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 03/04	38.9%	1.4%	3.0%	51.5%	5.2%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

July 2003	\$6,948,943	Calendar Year Total	\$62,410,793
July 2002	<u>\$7,595,597</u>	Calendar Year Total	<u>\$62,890,421</u>
% Change	(8.5%)	% Change	(0.8%)

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated on the following page:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9



Through July 2003, 71,846 documents have been received for a fiscal year-end of 2002, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	117	22,174	40,497	240	8,818
%	0.2	30.9	56.4	0.3	12.3

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through July 2002, the Arizona Department of Revenue received 72,341 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 0.7% decrease in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2003/04 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for July 2003 are shown on Table 2, at the end of this report.

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax, jet fuel use tax and direct pay use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>July 2003</b>	<b>July 2002</b>	<b>% change</b>
Distribution Base	\$111,176,778	\$107,809,165	3.1
Non shared	214,846,247	207,193,921	3.7
Use Tax	17,906,777	13,518,707	32.5
Education Tax	39,387,478	36,634,433	7.5
Other Revenues	45,776,554	43,038,965	6.4
<b>Total Collections</b>	<b>\$429,093,835</b>	<b>\$408,195,191</b>	<b>5.1</b>



**Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>July 2003</b>	<b>July 2002</b>	<b>% Change</b>
Retained by State	\$271,097,895	\$257,896,009	5.1
Returned to Counties	45,037,713	43,673,493	3.1
Returned to Cities	27,794,195	26,952,291	3.1
Education Tax	39,387,478	36,634,433	7.5
Other	45,776,554	43,038,965	6.4
<b>Total Collections</b>	<b>\$429,093,835</b>	<b>\$408,195,191</b>	<b>5.1</b>

**Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>July 2003</b>	<b>% Change</b>
Transporting/Towing	5.6%	\$250,291	(5.7)
Non-Metal Mining/Oil & Gas	3.125%	748,706	6.9
Utilities	5.6%	30,123,620	9.0
Communications	5.6%	11,628,396	(18.3)
Railroads/Aircraft	5.6%	59,965	N/A
Private Car/Pipelines	5.6%	36,404	(26.1)
Publishing	5.6%	503,436	(4.7)
Printing	5.6%	1,570,100	(54.3)
Restaurants/Bars	5.6%	28,175,424	2.6
Amusements	5.6%	3,141,776	(2.0)
Commercial Lease	0%	(26,290)	24.3
Rental of Personal Property	5.6%	14,189,800	(2.6)
Contracting	3.75% - 5.6%	55,469,093	10.4
Feed Wholesale	Repealed	(15)	N/A
Retail	5.6%	172,877,850	3.2
Advertising	0	0	N/A
Mining Severance	2.5%	214,183	62.7
Timber Severance	\$2.13/\$1.51 per 1000 board ft	955	N/A
Hotel/Motel	5.5%	6,694,695	0.1
Membership Camping	5.6%	15,856	456.7
Use/Use Inventory	5.6%	17,906,777	32.5
Rental Occupancy Tax	3%	10,386	38.8
Jet Fuel Tax	\$.0305/\$.0105 gal	353,261	(37.2)
Telecommunications Devices:	1.1		
Telecom. Fund for the Deaf	----	507,451	(0.6)
Poison Control Fund	----	187,687	(0.6)
911 Wireline/Excise	\$0.37 monthly per activated service	1,160,441	(5.8)
911 Wireless Service	\$0.37 monthly per activated service	956,745	41.6
<b>Total</b>		<b>\$346,756,993</b>	<b>4.7</b>



The Use/Use Inventory category shown above includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>July 2003</b>	<b>% Change</b>
Transporting/Towing	\$5,005,825	(5.7)
Non-Metal Mining/Oil & Gas	23,958,582	6.9
Utilities	602,472,407	9.0
Communications	232,567,927	(18.3)
Railroads/Aircraft	1,199,301	N/A
Private Car/Pipelines	728,081	(26.1)
Publishing	10,068,726	(4.7)
Printing	31,402,002	(54.3)
Restaurants/Bars	563,508,476	2.6
Amusements	62,835,518	(2.0)
Commercial Lease	1,081,082	N/A
Rental of Personal Property	283,796,010	(2.6)
Contracting	1,109,382,723	10.4
Feed Wholesale	(3,286)	N/A
Retail	3,457,556,997	3.2
Advertising	0	N/A
Mining Severance	8,567,309	62.7
Timber Severance	0	N/A
Hotel/Motel	121,721,726	0.1
Membership Camping	317,126	456.7
Use/Use Inventory	357,219,551	32.4
Rental Occupancy Tax	346,184	38.8
<b>Total</b>	<b>\$6,873,732,267</b>	<b>4.9</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In July 2003, 13,083,945 gallons of jet fuel were taxed, a 33.0% decrease from the 19,526,531 reported for July 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in July 2003 was \$1,532,138, a 5.8% increase from the \$1,448,358 claimed in July 2002.

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<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<b><u>SIC Code</u></b> <b><u>Range</u></b>	<b><u>Description</u></b>	<b><u>July 2003</u></b>	<b><u>July 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$220,331,223	\$201,408,973	9.4
5311-5399	general merchandise stores	252,937,142	260,464,059	(2.9)
5411-5499	food stores (no food sales)	262,634,909	260,593,172	0.8
5511-5521	motor vehicle dealers	686,396,957	596,124,533	15.1
5531-5599	misc. automotive, motorcycle & boat stores	194,497,174	175,941,322	10.5
5611-5699	apparel & accessory stores	214,328,577	218,575,462	(1.9)
5712-5733	furniture, home furnishings & equipment stores	172,814,230	169,810,314	1.8
5912-5949	misc. retail stores	209,386,139	203,809,373	2.7
<b>TOTAL</b>		<b>\$3,457,556,997</b>	<b>\$3,349,990,941</b>	<b>3.2</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for July 2003 is shown in the County Share column.

	<b><u>Dist. Base Collections</u></b>	<b><u>County Share</u></b>	<b><u>% of Total</u></b>	<b><u>% Change</u></b>
Apache	\$278,734	\$347,228	0.8	2.6
Cochise	1,704,514	828,829	1.8	9.1
Coconino	3,389,340	1,294,525	2.9	(5.0)
Gila	784,285	369,349	0.8	4.5
Graham	349,848	209,443	0.5	4.1
Greenlee	242,032	151,829	0.3	(8.3)
La Paz	230,891	128,156	0.3	1.7
Maricopa	74,937,776	28,939,089	64.3	3.8
Mohave	3,000,187	1,238,445	2.7	4.4
Navajo	1,661,587	734,872	1.6	5.7
Pima	15,856,637	6,648,283	14.8	(0.7)
Pinal	2,223,801	1,191,461	2.6	6.9
Santa Cruz	694,627	297,227	0.7	7.0
Yavapai	3,572,407	1,545,523	3.4	7.0
Yuma	2,250,113	1,113,453	2.5	3.5
<b>Total</b>	<b>\$111,176,778</b>	<b>\$45,037,713</b>		<b>3.1</b>



### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for July 2003 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during July 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects/He alth SVCS Dist.	Tourism Authority
Apache		\$87,453							
Cochise		\$500,533							
Coconino		\$945,397	\$567,721					\$228,587	
Gila	\$242,568	\$235,799					\$0		
Graham		\$104,338							
Greenlee		\$61,642							
La Paz		\$61,995	\$62,072					\$14,978	
Maricopa	\$23,370,357		\$8,544,695	\$370,222	\$644				\$1,170,993
Mohave		\$431,531							
Navajo		\$466,485							
Pima				\$108,219		\$6,769			
Pinal	\$775,976	\$763,358							
Santa Cruz		\$196,667							
Yavapai		\$1,050,400	\$418,882						
Yuma		\$652,671	\$652,031					\$647,253	

## **OTHER TAXES**

### **Luxury Taxes**

The following revenues were received from luxury taxes in July 2003. The table compares the receipts to July 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	July 2003	July 2002	% Change
Spirituos	\$1,640,807	\$1,556,437	5.4
Vinous	739,367	652,742	13.3
Malt	1,783,718	1,772,213	0.7
Cigarette	18,396,960	12,360,442	48.8
Other Tobacco	626,580	284,183	120.5
Tobacco Licenses	775	900	(13.9)
<b>Total</b>	<b>\$23,188,207</b>	<b>\$16,626,917</b>	<b>39.5</b>



\*Through July 2003, \$417,300 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

**General Fund revenues from luxury taxes:**

	<b>July 2003</b>	<b>July 2002</b>	<b>% Change</b>
Spirituos	\$1,148,565	\$1,089,506	5.4
Vinous	184,192	162,730	13.2
Malt	445,930	443,053	0.7
Cigarette	2,535,577	3,469,475	(26.9)
Other Tobacco	97,129	44,048	120.5
Tobacco Licenses	775	900	(13.9)
<b>Total</b>	<b>\$4,412,168</b>	<b>\$5,209,712</b>	<b>(15.3)</b>

**Other dedicated revenues from luxury taxes:**

	<b>July 2003</b>	<b>July 2002</b>	<b>% Change</b>
Correction Fund revenues	2,002,482	\$2,000,587	0.1
Tobacco Tax & Health Care Fund <sup>2</sup>	6,423,140	8,653,369	(25.8)
Tobacco Products Tax Fund <sup>3</sup>	9,553,617	N/A	N/A
Wine Promotional Fund revenues	2,597	1,821	42.6
Drug Treatment & Education Fund revenues	568,544	545,115	4.3
Corrections Revolving Fund revenues	225,658	216,313	4.3
<b>Total</b>	<b>\$18,776,0389</b>	<b>\$11,417,205</b>	<b>64.5</b>

**Estate Tax**

July 2003	\$2,682,160
July 2002	\$5,624,908
% Change	(52.3%)

**Private Car**

July 2003	N/A
July 2002	N/A
% Change	N/A

**Bingo**

July 2003	\$69,610
July 2002	\$73,478
% Change	(5.3%)

**Unclaimed Property**

July 2003	(\$694,861)
July 2002	\$910,526
% Change	N/A

<sup>2</sup>Formerly the Health Care Fund

<sup>3</sup>This Fund was created by Prop.303, which increased cigarette other tobacco products tax rates in November 2002.



Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2003 for Tax Year 2002**  
**Through July 2003**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	2,248	1.1%	-\$12,216	\$3	14.7%	78.7%	4.5%	2.2%	14.4%	9.3%
<b>\$0-\$5,000</b>	<b>44,328</b>	20.9%	<b>\$2,727</b>	<b>\$2</b>	<b>4.2%</b>	<b>83.0%</b>	<b>11.8%</b>	<b>0.9%</b>	<b>4.0%</b>	<b>16.9%</b>
\$5,000-\$10,000	44,819	21.2%	\$7,379	\$24	7.4%	71.6%	19.6%	1.4%	5.8%	27.6%
<b>\$10,000-\$15,000</b>	<b>31,388</b>	14.8%	<b>\$12,365</b>	<b>\$89</b>	<b>14.2%</b>	<b>55.3%</b>	<b>28.6%</b>	<b>1.8%</b>	<b>8.6%</b>	<b>40.0%</b>
\$15,000-\$20,000	23,149	10.9%	\$17,361	\$164	20.4%	46.7%	30.4%	2.5%	9.1%	44.4%
<b>\$20,000-\$25,000</b>	<b>15,949</b>	7.5%	<b>\$22,361</b>	<b>\$269</b>	<b>25.0%</b>	<b>40.8%</b>	<b>30.6%</b>	<b>3.5%</b>	<b>7.6%</b>	<b>47.9%</b>
\$25,000-\$30,000	11,244	5.3%	\$27,378	\$394	28.7%	40.8%	26.9%	3.6%	7.4%	46.2%
<b>\$30,000-\$40,000</b>	<b>14,093</b>	6.7%	<b>\$34,476</b>	<b>\$556</b>	<b>36.0%</b>	<b>37.2%</b>	<b>22.8%</b>	<b>3.9%</b>	<b>8.0%</b>	<b>46.2%</b>
\$40,000-\$50,000	8,221	3.9%	\$44,570	\$787	47.6%	32.2%	16.8%	3.3%	10.2%	46.9%
<b>\$50,000-\$75,000</b>	<b>9,862</b>	4.7%	<b>\$60,370</b>	<b>\$1,163</b>	<b>62.2%</b>	<b>24.7%</b>	<b>10.9%</b>	<b>2.1%</b>	<b>13.0%</b>	<b>46.1%</b>
\$75,000-\$100,000	3,435	1.6%	\$85,343	\$1,818	72.7%	18.9%	6.6%	1.8%	15.6%	44.3%
<b>\$100,000-\$200,000</b>	<b>2,476</b>	1.2%	<b>\$129,878</b>	<b>\$3,265</b>	<b>74.1%</b>	<b>18.4%</b>	<b>5.7%</b>	<b>1.7%</b>	<b>17.3%</b>	<b>43.2%</b>
\$200,000-\$500,000	444	0.2%	283,267	9,382	71.7%	19.6%	6.2%	2.4%	19.8%	39.0%
<b>\$500,000-\$1,000,000</b>	<b>74</b>	<b>0.0%</b>	<b>673,880</b>	<b>28,160</b>	<b>60.0%</b>	<b>24.0%</b>	<b>12.0%</b>	<b>4.0%</b>	<b>14.7%</b>	<b>45.3%</b>
\$1,000,000 and over	30	0.0%	1,677,726	74,256	60.0%	23.3%	10.0%	6.7%	23.3%	23.3%
<b>Total</b>	<b>211,760</b>		<b>\$19,678</b>	<b>\$307</b>	<b>19.8%</b>	<b>57.3%</b>	<b>20.9%</b>	<b>2.1%</b>	<b>7.5%</b>	<b>34.7%</b>

**NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001**

<b>Total</b>	<b>233,775</b>	<b>\$19,905</b>	<b>\$332</b>	<b>20.5%</b>	<b>57.1%</b>	<b>20.2%</b>	<b>2.2%</b>	<b>7.9%</b>	<b>34.3%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.



**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**July 2003**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,523,536	202,705
Eagar	\$30,312	4,033	Surprise	231,854	30,848
Springerville	14,822	1,972	Tempe	1,192,230	158,625
St. Johns	26,667	3,548	Tolleson	37,385	4,974
<b><u>Cochise County</u></b>			Wickenburg	38,196	5,082
Benson	35,408	4,711	Youngtown	22,623	3,010
Bisbee	45,773	6,090	<b><u>Mohave County</u></b>		
Douglas	124,187	16,523	Bullhead City	253,809	33,769
Huachuca City	13,161	1,751	Colorado City	25,058	3,334
Sierra Vista	283,918	37,775	Kingman	150,839	20,069
Tombstone	11,304	1,504	Lake Havasu City	315,207	41,938
Willcox	28,057	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	36,956	4,917
Flagstaff	397,553	52,894	Pinetop-Lakeside	26,922	3,582
Fredonia	7,787	1,036	Show Low	57,836	7,695
Page	51,177	6,809	Snowflake	33,521	4,460
Williams	21,361	2,842	Taylor	23,871	3,176
<b><u>Gila County</u></b>			Winslow	71,553	9,520
Globe	56,265	7,486	<b><u>Pima County</u></b>		
Hayden	6,704	892	Marana	101,887	13,556
Miami	14,551	1,936	Oro Valley	223,226	29,700
Payson	102,368	13,620	Sahuarita	24,367	3,242
Winkelman	3,330	443	South Tucson	41,263	5,490
<b><u>Graham County</u></b>			Tucson	3,658,043	486,699
Pima	14,949	1,989	<b><u>Pinal County</u></b>		
Safford	69,388	9,232	Apache Junction	239,115	31,814
Thatcher	30,229	4,022	Casa Grande	189,584	25,224
<b><u>Greenlee County</u></b>			Coolidge	58,520	7,786
Clifton	19,512	2,596	Eloy	77,979	10,375
Duncan	6,103	812	Florence	108,727	14,466
<b><u>La Paz County</u></b>			Kearny	16,904	2,249
Parker	23,600	3,140	Mammoth	13,243	1,762
Quartzsite	25,209	3,354	Superior	24,457	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	269,698	35,883	Nogales	156,920	20,878
Buckeye	63,864	8,497	Patagonia	6,622	881
Carefree	21,999	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	28,020	3,728	Camp Verde	71,034	9,451
Chandler	1,327,188	176,581	Chino Valley	61,383	8,167
El Mirage	57,189	7,609	Clarkdale	25,720	3,422
Fountain Hills	152,087	20,235	Cottonwood	68,990	9,179
Gila Bend	14,882	1,980	Jerome	2,473	329
Gilbert	824,486	109,697	Prescott	255,079	33,938
Glendale	1,644,597	218,812	Prescott Valley	176,890	23,535
Goodyear	142,136	18,911	Sedona	76,603	10,192
Guadalupe	39,294	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	28,636	3,810	San Luis	115,161	15,322
Mesa	2,979,165	396,375	Somerton	54,611	7,266
Paradise Valley	102,699	13,664	Wellton	13,747	1,829
Peoria	814,467	108,364	Yuma	582,605	77,515
Phoenix	9,929,010	1,321,045			
Queen Creek	32,439	4,316	<b>TOTAL</b>	<b>\$30,422,097</b>	<b>4,047,630</b>



**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**July 2003**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,391,105	202,705
Eagar	\$27,677	4,033	Surprise	211,701	30,848
Springerville	13,533	1,972	Tempe	1,088,597	158,625
St. Johns	24,349	3,548	Tolleson	34,135	4,974
<b><u>Cochise County</u></b>			Wickenburg	34,876	5,082
Benson	32,330	4,711	Youngtown	20,657	3,010
Bisbee	41,794	6,090	<b><u>Mohave County</u></b>		
Douglas	113,393	16,523	Bullhead City	231,747	33,769
Huachuca City	12,017	1,751	Colorado City	22,880	3,334
Sierra Vista	259,239	37,775	Kingman	137,728	20,069
Tombstone	10,322	1,504	Lake Havasu City	287,808	41,938
Willcox	25,618	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	33,744	4,917
Flagstaff	362,996	52,894	Pinetop/Lakeside	24,582	3,582
Fredonia	7,110	1,036	Show Low	52,809	7,695
Page	46,728	6,809	Snowflake	30,608	4,460
Williams	19,504	2,842	Taylor	21,796	3,176
<b><u>Gila County</u></b>			Winslow	65,333	9,520
Globe	51,374	7,486	<b><u>Pima County</u></b>		
Hayden	6,122	892	Marana	93,031	13,556
Miami	13,286	1,936	Oro Valley	219,154	31,934
Payson	93,470	13,620	Sahuarita	22,249	3,242
Winkelman	3,040	443	South Tucson	37,676	5,490
<b><u>Graham County</u></b>			Tucson	3,340,072	486,699
Pima	13,650	1,989	<b><u>Pinal County</u></b>		
Safford	63,357	9,232	Apache Junction	218,330	31,814
Thatcher	27,602	4,022	Casa Grande	173,105	25,224
<b><u>Greenlee County</u></b>			Coolidge	53,433	7,786
Clifton	17,816	2,596	Eloy	71,201	10,375
Duncan	5,573	812	Florence	99,276	14,466
<b><u>La Paz County</u></b>			Kearny	15,434	2,249
Parker	21,549	3,140	Mammoth	12,092	1,762
Quartzsite	23,018	3,354	Superior	22,331	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	246,255	35,883	Nogales	143,280	20,878
Buckeye	58,312	8,497	Patagonia	6,046	881
Carefree	20,087	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	25,584	3,728	Camp Verde	64,859	9,451
Chandler	1,211,824	176,581	Chino Valley	56,048	8,167
El Mirage	52,218	7,609	Clarkdale	23,484	3,422
Fountain Hills	138,867	20,235	Cottonwood	62,993	9,179
Gila Bend	13,588	1,980	Jerome	2,258	329
Gilbert	752,818	109,697	Prescott	232,907	33,938
Glendale	1,501,643	218,812	Prescott Valley	161,514	23,535
Goodyear	129,781	18,911	Sedona	69,941	10,192
Guadalupe	35,878	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	26,147	3,810	San Luis	105,150	15,322
Mesa	2,720,205	396,375	Somerton	49,864	7,266
Paradise Valley	93,772	13,664	Wellton	12,552	1,829
Peoria	743,670	108,364	Yuma	533,129	77,685
Phoenix	9,065,944	1,321,045	<b>TOTAL</b>	<b>\$27,794,195</b>	<b>4,050,034</b>
Queen Creek	29,619	4,316			



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